

February 29, 2008

Ms. Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

To the FCC. Please include in the record for 07-51.

I own Consolidated Smart Systems, a PCO operating in California and Arizona. I currently compete against MSO's that are billion dollar companies. I have built my business on personalized service and relationships. In many sectors of my market I am the only competition for the franchise cable operators and telco's.

Before I started in the Broadband business many of my customers and clients had no options for video. They had no leverage with the MSO's and no ability to get them to provide more programming options let alone better service. When I started my business I had to give these customers assurance that they would be treated fairly.

In order for me to guarantee my customers that they would not be left with a video programming package that was obsolete in the market place in a few years, I have included in 100% of my proposals the following technology obsolescence language:

TECHNOLOGICAL OBSOLESCENCE

Owner and CSBS recognize that the technology underlying the System may change and improve during the life of the Agreement. CSBS agrees to modify the System to incorporate material technological improvements (defined for this purpose as functionality not available through the System at the time the parties executed the Agreement but later in common use in similar systems operated by CSBS and its competitors in multi-family residential properties of [] units or more located within a 5 mile radius of the Property) within one hundred twenty (120) days after written request from Owner given by a notice delivered pursuant to the Agreement which references this paragraph and describes the material technological improvement Owner requests. CSBS reserves the right to make the modification using such specifications, equipment and technology as it deems appropriate in its reasonable judgment; CSBS shall not be required to match or replicate the functionality or equipment used in other systems. All modifications required by this Addendum #1 shall be constructed, operated, and maintained at CSBS's sole cost. Notwithstanding the foregoing, CSBS at any time in its sole discretion

may elect, but shall not be required, to modify the System to incorporate technological changes or improvements. All modifications to the System become part of the System.

By providing this assurance to MDU owners I have been able to grow my business. To date not one franchise cable operator or telco will include any such language in their proposals. In addition to this guarantee I also provide service performance standards in over half of my proposals. These standards are far and above anything that either the franchise operators or the telco's will commit to in my market. My service standards are as follows:

SERVICE LEVEL CLAUSE

Operator shall: (a) respond to 90% of all Minor Service Problems within 24 hours and cure Minor Service Problems within 48 hours after receipt of the request or complaint (the "Standard Response Times"), Sundays and holidays excepted, unless the affected resident requests an appointment outside the Standard Response Times; provided, however, that in the event there is an intervening Sunday or holiday that affects the Standard Response Times, then Operator shall respond to all Minor Service Problems within 48 hours and cure Minor Service Problems within 72 hours after receipt of the request or complaint; (b) respond to all Outages within 12 hours and cure or actively be in the process of curing Outages within 24 hours after receipt of the request or complaint; and (c) respond to and complete 90% of all installation of service orders within 5 business days after receipt of a service order, unless the resident requests a later installation appointment. The term "Minor Service Problem" means a service problem (other than an Outage) that affects one or more individual units and is not caused by equipment belonging to the resident. The term "Outage" means a service problem that affects all units in a building or affects 20% of the units in more than one building with a total loss of Services. System maintenance activities scheduled and announced to Owner and residents at least 48 hours in advance are excluded from the cure times for Minor Service Problems and Outages.

Because I provide my customers these assurances for technology and service I am increasing the quality of what the residents in my properties receive. I am also raising the bar for excellence in my markets. The only way I can continue to deliver this quality and these commitments is by having the ability to execute exclusive agreements with MDU owners. Without this provision I would not be able to grow my company and more importantly I would have tremendous difficulty remaining in business. If my company could no longer grow or even exist, the MDU customers would be the ones who would suffer the most. There would be absolutely no provider in my market that would give them any commitments about technology upgrades or quality service.

It is for these reasons and the very existence of my company that I strongly urge the commission to keep exclusive contracts for PCO's. I am more than happy to share with the commission any other information about my business and my markets.

Respectfully yours,
CONSOLIDATED SMART SYSTEMS

Daniel Terheggen
CEO